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By Ck/NARA Date 9/18/97

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: Prime Minister Chou En-lai
Foreign Minister Chi Peng-fei
Vice Foreign Minister Chiao Kuan-hua
Assistant Minister of Foreign Affairs
Wang Hai-jung
Two Chinese Foreign Minister Officials
Tang Wang-shen, Interpreter
Shen Jo-yen, Interpreter
One Chinese Notetaker

Henry A. Kissinger, Secretary of State
Ambassador David Bruce, Chief, U.S.
Liaison Office
Ambassador Robert Ingersoll
U.S. Embassy Tokyo
Winston Lord, Director of Planning and
Coordination, Department of State
Alfred Jenkins, U.S. Liaison Office

DATE AND TIME: Monday, November 12, 1973
3:00 - 5:30 p.m.

PLACE: Guest House Villa #3, Peking
Peoples Republic of China

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TOP SECRET - XGDS (3)
CLASSIFIED BY: HENRY A. KISSINGER

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Secretary Kissinger: I have the answer for you, Mr. Prime Minister, on the production of planes in Taiwan. It is not a production of airplanes but an assembly for which we supply the parts. And it is for short-range fighter aircraft which will not increase the total number of airplanes on Taiwan. When we stop supplying the parts, they will no longer be able to produce them. So in practice it is different than giving them the airplanes. They have no independent capability for producing the airplane being developed. And that is true of all other co-production arrangements. It is an F5E, and there are to be 100 for a period between 1973-1978.

Prime Minister Chou: In this way Chiang Ching-kuo will be reassured.

Secretary Kissinger: Our impression is that he (Chiang Kai-shek) is not active today.

Prime Minister Chou: It is impossible for him to be, and it is difficult for him to live for another five years. But I am not asking him to die. He can live as long as he wishes. If he wishes he can live to be 100. What I meant was in that way Chiang-Ching-Kuo will be reassured because he could rule the country until 1978.

Secretary Kissinger: We have no plans on this plane, on this project, beyond 1978.

Prime Minister Chou: You say it is a short distance one. Actually, the radius can stretch as far as 180 kilometers. That is the fighting radius.

Secretary Kissinger: And come back? One way, it is possible, but not to come back.

Prime Minister Chou: If he has a refueling tank, he will be able to come back.

Secretary Kissinger: F5E?

Prime Minister Chou: Yes. It does not matter even if the plane is bigger. I just wanted to make clear whether it is an assembly plant.

Secretary Kissinger: It is an assembly plant, not a production. We supply the parts. They do not produce the parts. So they have no independent capability.

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Prime Minister Chou: Is Japan able to produce planes like this or greater?

Secretary Kissinger: Japan has not produced any planes like this, but it certainly has the capability. I have to check but -- do you know, Ambassador Ingersoll, if we have some co-production?

Ambassador Ingersoll: Not on the F5s; on the F4s.

Secretary Kissinger: They are producing F4s. F4s have radius to reach effectively. The F5 is not a bombing plane. The F4 can be used effectively for bombing.

Prime Minister Chou: Actually, the F5E is also capable of bombing. The only difference is, it is lighter. The F4, which is the Phantom type, can carry greater weight.

Secretary Kissinger: Yes. The F4 can carry greater weight.

Prime Minister Chou: But the distance is the same for both.

Secretary Kissinger: I don't believe this. I really don't have the characteristics in mind. We have always considered it, strategically thinking, that the F5 is purely a fighter plane, with no bombing capability. We use it for tactical support.

The F4 is something we call deep interdiction which goes further behind the line and has a strategic impact, but I don't know the exact characteristics. In our own strategic planning for Vietnam, for example, the F5 was always considered to be used for support of ground troops at the front line with bombs, and the F4 for the interdiction of communications because it has a heavy bomb load, and I thought it had a longer range. I will have to check on that. I will have the answer tomorrow.

Ambassador Ingersoll: The F4 is refuelable.

Prime Minister Chou: It does not matter. It would be pretty good if it could be delayed for another five years, because in that way they can envisage it for another five years. In that case, your recent word will be able to be realized in this way: It will

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not give rise to the ambitions of a third country. I see it in this way. It does not matter whether it is 100 planes or 200 planes.

And there is, of course, another point. It could be allowed to attack the Mainland, but if they insist on attacking the Mainland, we welcome them. Let them have a try.

Secretary Kissinger: You have our assurance they will not be allowed to attack the Mainland. If they do, they will lose American support completely.

Prime Minister Chou: If they ever try to do that, they will do it unilaterally.

Secretary Kissinger: There will be no attack nor an American-sponsored attack in the future or any attacks that our President can control.

Prime Minister Chou: What you told me yesterday has already been reported to the Chairman. There was one point that I did not explain very much because I did not entirely understand. Yesterday you mentioned that there was a possibility of finding, that you would like to find, a way with regard to our bilateral relations to find some wording similar to the Shanghai Communique or slightly altered that would be able to promote the development of our relations. I did not have the opportunity to issue a communique or some other form?

Secretary Kissinger: I wanted to ask the Prime Minister whether he thought it appropriate to issue a communique at the end of my visit and if so we will be prepared to do this. My comment was in reference to the establishment of formal diplomatic relations. We cannot go faster than the schedule which I gave you if it is on the Japan formula. However, if we could find a formula which is more flexible, as long as we understand that we will end up there, we are prepared to establish diplomatic relations sooner.

Prime Minister Chou: Yesterday you mentioned that you also reaffirmed that you would not support the idea of two Chinas. Under this condition, what kind of flexible formula have you in mind? It is also a difficult problem to us. Perhaps you have worked out a good idea.

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Secretary Kissinger: No, I have not actually yet worked out a good idea. If the Prime Minister would like, I might submit one to him later today after I have had an opportunity to meet with my colleagues. I have in mind something like the Shanghai Communiqué which would make clear that the establishment of diplomatic relations does not mean giving up the principle that there is only one China.

Prime Minister Chou: She (the interpreter) had made a good guess of what you meant. When we were with the Chairman I dared not explain the statement, but she dared to make an explanation of the statement.

Secretary Kissinger: As I understand it, Mr. Prime Minister, your problem in having diplomatic relations while we have relations with Taiwan is that it might give rise to a two-China policy which we have agreed not to support. What we should search for is a formula for consideration that makes clear that that principle is not being abandoned; that there is only one China by either side.

Prime Minister Chou: She (the interpreter) has guessed very correctly what you think.

Secretary Kissinger: Yes.

Prime Minister Chou: So the elder people are not as good as the younger people.

Secretary Kissinger: She had a long talk with Mr. Lord on the airplane.

Mr. Lord: We had our own counterpart talks.

Interpreter: Another matter was discussed on the plane.

Prime Minister Chou: There is another matter that is mentioned concerning the Consulate General. Perhaps you have not made an investigation concerning this point. As far as we know, there are twelve in all at the moment. Originally there were ten. Recently they have added two.

Secretary Kissinger: I know of one in New York.

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Mr. Jenkins: There is one in Atlanta.

Secretary Kissinger: This one must be in honor of Mr. Jenkins.

I have not paid attention to the one in New York. And our interpretation, which we made to ourselves, is the one which I gave you yesterday: that the Taiwan authorities are preparing for the day that we will move toward the sole recognition of Peking; a day which we know is inevitable. At that time, they want to have a representation in America that permits them to continue exchanges with us, and I believe for that reason they have chosen the Consulate General in New York, since it would be inappropriate to have it in Washington. That was our own interpretation.

And our own internal interpretation of it also was that this was envisaged as a possible contact point with the People's Republic of China whenever discussions would take place.

Interpreter:

You mentioned yesterday a point of contact with Chaing Kai-shek.

Secretary Kissinger:

A contact point to the United States after we have moved, say from no later than the middle of 1976, and secondly, a possible point at which the Taiwan authorities would negotiate with the People's Republic of China. This is not based on knowledge but on our interpretation of their motives. This second interpretation may be wrong.

Prime Minister Chou:

That is just an idea.

Secretary Kissinger:

It is our own analysis of the problem.

Prime Minister Chou:

Is there anything you would like to tell me first.

Secretary Kissinger:

I have some information now on the rupee negotiations situation which you were interested in. Our difficulty was that we could not spend all the rupees we had accumulated. And, therefore, what we did was to settle for 35 percent of the total amount of rupees in these blocked accounts that could be spent only in India, but even that will take us twenty years to spend. The real difficulty was that we

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permitted such huge debts to accumulate without analyzing what we could ever do with them. There was also a speed-up in dollar debts that they owed us, but of a much smaller amount. That was the basic reasoning of that.

Prime Minister Chou: So the phenomenon in India..you do not have the similar phenomenon in other countries.

Secretary Kissinger: Not to quite the same extent. We had it in Japan, but it is being settled. We do have another phenomenon in other countries where aid loans that were given over a period of years become repayable and where, in effect, we give more aid so that they can repay the loans; and when we don't give aid they don't repay the loans so they get aid anyway. For example, we helped Pakistan, which holds a substantial amount of our money, by rescheduling its debt after the 1971 war which was a way really of giving it additional money.

Two other small items. I understand that Ambassador Huang Hua has already met a representative from our Mission, and as I understand from our telegram, they have had a satisfactory meeting. If that is not correct, we will change it. We will give appropriate instructions. I think they have achieved an adequate understanding.

Prime Minister Chou: Thank you, and we have heard about this point.

Secretary Kissinger: Your information is the same.

Prime Minister Chou: The same.

Secretary Kissinger: We will proceed. We have instructed our Mission that we follow Ambassador Huang's recommendation so you have the initiative as to timing.

The only other item I have is that I understand that in these talks on the private blocked assets, there is only one item that is still unsettled which has to do with your proposal that blocked assets belonging to third country banks be excluded from the

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settlement. That is one item that is impossible for us to accept because we could never get Congressional approval for the agreement if that item were excluded.

Prime Minister Chou: It seems the third countries have already given us the money. What shall we do? Give them back the money?

Secretary Kissinger: Our people believe that they can sue those banks and get the money.

Prime Minister Chou: Take for instance, Belgium.

Secretary Kissinger: Yes, I know. That is the primary problem.

Prime Minister Chou: The figure is not very big but they were very... once they established diplomatic relations with us, they gave us the money.

Secretary Kissinger: But illegally from our point of view.

Prime Minister Chou: For us, it is legal.

Secretary Kissinger: The difficulty for us is it would reduce the pro rata payments from 40 percent to 25 percent which we do not believe Congress would accept.

Prime Minister Chou: Do you mean that by excluding the money given to us already by the third country banks there is only 25 percent left?

Secretary Kissinger: Then I think it would be about 22 percent in blocked assets as against private claims. While with that money it would be about 40 percent. And our experience has been that the Congress would not approve a settlement that was as low as 22 percent.

Prime Minister Chou: But to us the figure is very small. Up to now I still find it difficult to understand the proportion of the taxes levied between those countries which you have given most favored nation treatment and those which you have not. To me, that is if we are not given most favored nation treatment your taxes are different.

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Secretary Kissinger: We are in principle prepared to grant you most favored nation treatment. However, we have not been able to do this in the past when there were outstanding claims. If this settlement were made, we would in principle be prepared to grant most favored nation status to the PRC. The difficulty that now arises with most favored nation has nothing to do with China, but people who are adding amendments which are aimed at the Soviet Union which may apply to the PRC even though the people may be favorable to the PRC. Like Senator Jackson. I will have to have a meeting with Senator Jackson as soon as I return to remove those obstacles. I know he has no intention of directing his measures against the PRC. His measures are against the Soviet Union. Insofar as the administration is concerned, we are prepared to grant most favored nation status to the PRC, and we are prepared to grant them the same economic status as the Soviet Union.

Prime Minister Chou: Whereas just now you talked politics with me, as to the point you mentioned, I fully understand it. Because what I want to know is financially speaking does the most favored nation treatment mean the reduction of taxes?

Secretary Kissinger: From the United States? There are not any export taxes. We don't have any export taxes.

Prime Minister Chou: It is limited to import taxes?

Secretary Kissinger: Yes.

Prime Minister Chou: What is the difference between the taxes levied on those countries which enjoy the most favored nation treatment and those who do not enjoy that treatment?

Secretary Kissinger: I will have to check, but it is substantial and it varies; but in several categories it is very substantial. I will have the answer for you tomorrow.

Prime Minister Chou: You give most favored nation treatment to Japan.

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Secretary Kissinger: Yes. We give it to about 100 nations.

Prime Minister Chou: They belong to different categories.

Secretary Kissinger: The socialist states were excluded after the Korean War. This is really the origin of the discrimination.

Prime Minister Chou: And Yugoslavia?

Secretary Kissinger: Yes. We have given it to Yugoslavia and to Poland.

Prime Minister Chou: And Romania?

Secretary Kissinger: No, but we will give it to Romania. Romania has had to wait because in the past in order to get most favored nation status we have had to submit a separate bill to the Congress for each country. We have now submitted a bill to the Congress which gives the Executive Branch the discretion to grant most favored nation status to any country and that bill is still before Congress. We would prefer to be able to do it on a general basis, but, if necessary, we still have the possibility of introducing action for individual countries.

Prime Minister Chou: But as far as the bill for giving most favored nation treatment to the Soviets, it has been postponed.

Secretary Kissinger: Mr. Prime Minister, this is not a bill to give most favored nation....

Prime Minister Chou: It is demanded by your government.

Secretary Kissinger: It is not a bill to give most favored status to the Soviet Union but a bill to give the Executive Branch the discretion to give it to almost anybody and therefore the Soviet Union. I can explain to the Prime Minister the complexity which led us to the postponement of that bill. The reason is that in the Senate we expect an amendment sponsored by Senator Jackson which would not only not enable us to give most favored nation status to the Soviet Union but would also limit the possibility of credits, and is so written that it would also apply to China. Jackson has not thought of this.

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It refers to emigration. Jackson is thinking of the Jewish problem. We have to find a refinement of this bill. In order to do this we have to get a maximum difference between the House and the Senate so when these two bills become reconciled there is an area of negotiation. Therefore, we first asked the House to eliminate most favored nation completely. When they did not do this, we asked them to postpone consideration of the bill for two reasons. One, to have some control of Soviet behavior on the Middle East, and secondly in order to enable us to discuss with the Senators and Congressmen the fact that we have written a bill which they are aiming at the Soviet Union but which applies to too many other countries and therefore defeats its own purpose. But it will definitely come to a vote no later than the first part of February.

Prime Minister Chou:

We will make a study of this question. There is only one item left, and there is no other question as to the blocked assets.

Secretary Kissinger:

Yes. One item. That is the only item. I think the other questions can be settled. You raised the third question. We can settle two of them.

Prime Minister Chou:

I like to make several clarifications on some international questions. As we have discussed the situation in the Middle East, it is complex. Yesterday you mentioned the two steps to be taken and the first step is to carry out the disengagement of military forces, and the agreement has already been signed between Egypt and Israel.

Secretary Kissinger:

No, Mr. Prime Minister. There are three steps in that sense. The first is stabilizing the ceasefire. Then peace negotiations begin. These peace negotiations will have two steps. A first step is what we call disengagement of forces, but whose real purpose is to move the Israeli forces back some distance, and a second step which settles the final border.

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Prime Minister Chou: And there is also the question of carrying out the observed ceasefire on the part of Syria. They will also sign it?

Secretary Kissinger: Yes. Syria has already agreed to the ceasefire. But we believe that Syria should become an integral part of the negotiations and our impression is that it is prepared to be.

Prime Minister Chou: Then, when it comes to the discussion of disengagement of military forces will there be a conference held for discussing of this question or will it be discussed separately?

Secretary Kissinger: No, it will be the first phase of the peace conference. But, as I explained to the Vice Minister this morning, and I believe to you yesterday, my judgment is that the formal peace conference will not be much more productive than the formal Vietnam Conference. And it is probable that the real negotiations will take place separately outside the formal framework. As I explained to the Vice Minister this morning, the problem is that at the formal conference, the Soviet Union will probably attempt to regain some of the territory it has lost by taking rather extreme positions. Therefore, it may be necessary for us on occasion to create a stalemate in order to demonstrate that this is not the road to a settlement.

Prime Minister Chou: Will Britain and France take part in the conference?

Secretary Kissinger: It is not finally settled yet. I would doubt it because Israel will not participate if Britain and France participate. But Britain and France may move to a position closer to the Soviet position. So it is not such an asset to have them there.

Prime Minister Chou: But in their public opinion they have expressed their desire to take part in the conference.

Secretary Kissinger: There is always, as I told you yesterday, a difference in what they say publicly and what they say privately. Not always, but very often.

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Prime Minister Chou: In order to meet their demands at home?

Secretary Kissinger: Yes. We will not exclude them if they want to participate and if the others want them. We have no reason to exclude them. But frankly, I cannot imagine a settlement occurring in a public forum of this composition. With so many different groups represented as it is.

Prime Minister Chou: It seems that among the Arab states they have also quite a few extremist positions.

Secretary Kissinger: Yes. Iraq and, to some extent, Algeria.

Prime Minister Chou: Libya.

Secretary Kissinger: Libya, Southern Yemen. Libya was not exceptionally heroic during the war, but its courage has increased as the ceasefire has been prolonged.

Prime Minister Chou: Libya has not severed relations with you?

Secretary Kissinger: No. They have only made impossible the life of the people who are there. They are very anti-Soviet.

Prime Minister Chou: He is also a friend of Chaing Kai-shek.

Secretary Kissinger: Really? This I did not know.

Prime Minister Chou: A very peculiar phenomenon. But we don't look into that matter. There are so many queer things in the world. Is that the companies in the United States which have investments in oil sources in Libya?

Secretary Kissinger: There are many European countries that also have investments there, and most of the Libyan oil goes to Europe, not to the United States. Only 12 percent of our oil comes from the Middle East. Most of that comes from Saudi Arabia.

Ambassador Ingersoll: And Iran.

Secretary Kissinger: Six percent. We get another 6 percent from Iran.

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Prime Minister Chou: So the total proportion would be nearly 20 percent?

Secretary Kissinger: Yes. Eighteen percent.

Prime Minister Chou: What do you think of King Faisal?

Secretary Kissinger: A complex phenomenon.

Prime Minister Chou: He is also an old friend of mine and I came to know him very well at the Bandung Conference.

Secretary Kissinger: A very complex man. Of a previous period. Very principled, but in a very traditional framework. He is in a very complex situation because he is encircled on the one hand by Iraq on the north and South Yemen on the south. So he is very vulnerable to the radical states. On the other hand, emotionally, he is a good friend of the United States. My impression is that he is attempting to find a way to escape from the policy he adopted in the war. I think he will find a way in the next month or two. I am talking about the oil policy, escape from the oil policy.

Prime Minister Chou: The Japanese oil is from Iran and Kuwait.

Ambassador Ingersoll: They get about 85 percent of their oil from the Middle East as such. About 40-45 percent from Iran and the balance from Iraq and others. Five percent from Indonesia, Borneo and Eastern Europe.

Secretary Kissinger: We have started a major program to reduce, and to eventually eliminate, our dependency on oil from abroad. We believe that we can successfully conclude this within this decade.

Prime Minister Chou: That would be a very grand plan, and you will have to economize in the United States with oil.

Secretary Kissinger: We are doing this. You may have seen the President's speech. There may be an interim period where we have to economize on the use of oil. We are trying to liquify coal, for which we have the scientific way to do this, but we must make it economically feasible. We will use oil shale and rely on Alaskan oil and oil from Canada. With this combination, we believe we can be self-sufficient

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by the early 1980s.

Prime Minister Chou: The production cost is very high for liquified coal.

Secretary Kissinger: Yes, but we expect to reduce that cost very substantially during this decade. We know the scientific principle. It is primarily a production problem. On engineering problems we are very good.

Prime Minister Chou: Is it true that most of the oil from Venezuela goes to your country?

Secretary Kissinger: Yes, a substantial part.

Ambassador Ingersoll: I was going to say that the increase in the price of oil in the Middle East is making it economical to use this liquified coal and the shale. It is an incentive for us to work harder at it.

Prime Minister Chou: What is Japan going to do?

Ambassador Ingersoll: They wish they knew. They have been trying to diversify for a long time, but they have not many other sources for oil than the Middle East.

Secretary Kissinger: We may be prepared to share with Japan in some common research and development on alternative resources, and also on some joint ventures on nuclear energy.

Prime Minister Chou: But at the beginning, perhaps the cost is also very high.

Secretary Kissinger: Of what? Of nuclear energy, yes. At the beginning, but we have that under study. I think the installations are very expensive, but if the cost of the nuclear fuel can be reduced, of which there is a good possibility, then it becomes much more economical.

Prime Minister Chou: It would be better if there are any by-products.

Secretary Kissinger: Unfortunately, most of the by-products are most useful for nuclear weapons.

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Prime Minister Chou:

That is also a subject for debate between the two big powers. Do you really believe that the Soviet Union will reduce her quantity of nuclear weapons?

Secretary Kissinger:

The first problem is to stabilize the number of nuclear weapons because they are still increasing the number. And, of course, they have the theory that they need nuclear weapons for more than one threat. So we believe in the strategic arms limitation talks, We first have to place a ceiling on the total number of weapons, and then bring about a gradual reduction.

In the first phase of the agreement, the Soviet performance has been, to put it kindly, ambiguous. They are supposed to destroy one category of weapons as replacement for submarine-based weapons called SS7s. They are old. And they have destroyed a few of those, but they appear to have replaced them with mobile missiles which are technically not banned by the agreement but which are certainly not in the spirit of the agreement. If this continues, we will have to take countermeasures, and then the agreement will be meaningless. We will put missiles into airplanes which is also not banned by the agreement.

Prime Minister Chou:

About the Korean question. At first, I intended to discuss it at some other occasion, but now I think we had better discuss it. What is your idea of the next step to be taken? I am not referring to the step taken this year. I am referring to the step that will be taken in the future. There is an Armistice Committee at the demarcation line, and this Committee meets often. What do you think will be a way out for that?

Secretary Kissinger:

Our problem with respect to the United Nations is that its disappearance would also remove the legal basis for the armistice.

Prime Minister Chou:

That is why I was asking. What form would it take in order to settle the question of the Armistice Committee? If you have not anything in your mind, we had better not discuss it today.

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Secretary Kissinger: I do not have a concrete proposal, but we are prepared to discuss it over the next year on the schedule we have discussed.

Prime Minister Chou: But there is an advantage here that the Soviet Union has not had a hand in the Korean question.

Secretary Kissinger: I cannot judge on the North Korean side.

Prime Minister Chou: You can or cannot?

Secretary Kissinger: We do not have a judgment.

Prime Minister Chou: But it is possible that there would be minor troubles, but one cannot find a legal basis for that because the Soviet Union is not a participant to the armistice agreement. Because there were only four parties which signed the armistice agreement, but it was fortunate that the Soviet Union was not a participant in that. So over the last twenty years nothing -- no troubles had occurred with regard to the armistice agreement. Although Dulles refused to settle this question, peace has been maintained over more than twenty years. This has given Korea an opportunity to move towards peaceful communication. Of course, this is something that will call for a long period of time before it can be settled.

Anyway, a way must be found out how to settle this. We should pay attention to this question.

Secretary Kissinger: We will work with you during the next year to find a solution to the question of the legal basis of the armistice, and we will do that. We will make a major effort before the next General Assembly to come to an agreement with you on that issue. Should we discuss this with Ambassador Huang Chen? Of course, Ambassador Bruce will also be instructed on this.

Prime Minister Chou: But we think that the members of the four nations with the Advisory Committee are very comfortable. They were just stationed there, without asking to withdraw from Korea, whereas the Canadians have been withdrawn from Vietnam and they stayed there for quite

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a long period of time. The International Committee has been there for a long time with nothing to do. That is why members often came to Peking. Who pays the expenses for those? The Vice Minister also took part in the negotiations then.

I would like to ask you a question. It has been proven that expansionism in the world is doomed to failure. But the Soviet Union wants to follow in the steps of their predecessors, and they want to overtake them and they are stretching their hands everywhere. Do you think this can be stopped?

Secretary Kissinger: I think it is a difficult problem of this period.

Prime Minister Chou: It is also a crucial issue.

Secretary Kissinger: It is the most crucial issue. I told the Vice Minister in the car today that I had no illusions, for example, that in the Middle East, if it were not for the Soviet Union, you and we would have quite different views. But we have a first objective to prevent the domination by the Soviet Union. I believe if the countries that are potential victims of expansionism cooperate in a formal way, but they have to understand the main lines of each other's policy. I believe that major military expansionism can be stopped. That is our policy -- to resist if the Soviet Union engages in a major military movement. But I think it can be stopped.

Prime Minister Chou: Do you mean that it is not easy to stop political expansionism?

Secretary Kissinger: The political expansionism is more difficult to stop.

Prime Minister Chou: For instance, the so-called friendship treaty between the Soviet Union and India.

Secretary Kissinger: I think the political expansionism can also be stopped if one pursues an intelligent policy and if the countries against which it is directed keep in mind the principal requirement. I think if you, we and Western Europe understand

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each other, and if we behave intelligently in other parts of the world, we can contain Soviet expansionism. I don't believe that Soviet policy is very intelligent. It is very brutal, but not very intelligent.

Prime Minister Chou: But sometimes they have put on many masks.

Secretary Kissinger: Yes, but sooner or later the brutality comes forward.

Prime Minister Chou: But so far as the Soviet Union itself is concerned this is perhaps their main aspect.

Secretary Kissinger: Brutality?

Prime Minister Chou: But as for their opponents, things will be complicated. For instance, it will not be so easy for the Western European countries to share their common view.

Secretary Kissinger: Of the three major components that I mentioned, the West Europeans are the weakest link in terms of their understanding. But on the other hand, they are also the most difficult area for the Soviet Union to attack. So they are trying to undermine them by such measures as the European Security Conference and other negotiations. And what the Prime Minister has to understand is that if in these efforts we keep slightly to the left of the West Europeans, this is a means to prevent them from going further because then they will be afraid we will make a separate arrangement with the Soviet Union and that will worry them sufficiently so that they start thinking about their own defense.

Prime Minister Chou: You also mentioned this point the day before yesterday and also yesterday. But as for this point, the people would not be able to comprehend it.

Secretary Kissinger: I admit to you, Mr. Prime Minister, that this is the great danger in the present course. If at the same time we do two things, if we insist that the discussions are very detailed so that they cannot have many symbolic successes, and if secondly, we resist brutally whenever there is the slightest military

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threat, that danger can be reduced if not eliminated. I forgot, of course, to mention Japan which is a very crucial one.

Prime Minister Chou: Although it is crucial, the reaction would not be as quick as the European countries.

Secretary Kissinger: No. If they are not submitted to too many temptations by having too many pressures put on them from too many sides, I think they can be kept on their present course. I think you and we have acted wisely in this direction.

Prime Minister Chou: Because it is easier than dealing with the Western European countries.

Secretary Kissinger: Yes. They are a tougher people. And then, of course, we have to build this southern axis through the Near East.

Prime Minister Chou: It seems you will have to make a very great effort towards this end. It is not easy to do that.

Secretary Kissinger: No, but we are prepared to do more with Turkey as soon as its governmental crisis is overcome.

Prime Minister Chou: So the crisis is not yet over?

Secretary Kissinger: They still don't have a firm government. And they did not behave very strongly during during the Middle East crisis. They permitted Soviet airplanes to fly over their territory.

Prime Minister Chou: It is said so. Is that bridge across the strait built by you?

Secretary Kissinger: It is now open -- over the Bosporous -- it was opened on October 3. I don't know whether it was built by us. I don't know.

Prime Minister Chou: I learned of it from the television.

Secretary Kissinger: Did it say so?

Prime Minister Chou: It did not say so, but perhaps with your help.

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Secretary Kissinger: I don't know. I would not be surprised. I don't have the same attention for detail as you, Mr. Prime Minister. But I would suspect so. We will find out overnight.

Prime Minister Chou: Of the four fleets owned by the Soviet Union, three are in the Mediterranean.

Secretary Kissinger: Yes and a part of the Atlantic Fleet came in during the crisis. They had over one hundred ships in the Mediterranean at the height of the crisis. At one point they had over 103. They are now withdrawing them.

Prime Minister Chou: It is difficult for them to move about because they are separated from each other. Not linked together.

Secretary Kissinger: The Russian fleet is the only fleet in modern history that has ever surrendered. It surrendered to the Japanese in 1903.

Prime Minister Chou: The war was started in 1904.

Secretary Kissinger: But they surrendered in 1903 because they had to come around from St. Petersburg. They first sank some British fighting vessels, thinking the Japanese had come into the English Channel to stop them. They came all the way around the world.

Prime Minister Chou: From the Cape of Good Hope.

Secretary Kissinger: What today is Vietnam, and steamed straight into a Japanese trap. The Japanese were waiting there.

Prime Minister Chou: You know that the Japanese made a film for the feats he performed in the war. In the film they slandered Lenin. Upon seeing the film, the Soviets were quiet indifferent. They also praised the Russian admiral that surrendered. And the Soviets seemed very pleased.

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Secretary Kissinger: He was the one who attacked us.

Prime Minister Chou: Togo also appeared in that film. In that film they slandered Lenin, saying he bought ammunition in Europe in order to carry out the uprising of 1905 to tie down the Russian Emperor. It was also said in the film that Lenin helped the Japanese to get information. In that way the Japanese Navy gave money to Lenin to buy ammunition. Out of that Lenin staged the uprisings of 1905 in Moscow.

Secretary Kissinger: It was not staged by Lenin to begin with.

Prime Minister Chou: But Lenin had something to do with it.

Secretary Kissinger: Yes. He took part, but he was not the principal.

Prime Minister Chou: It was just a slander by the Japanese, but the present Soviet authorities should stay apathetic about it and should have accepted it. Actually it was sheer slander. And the Soviets should have accepted it as something very queer.

Secretary Kissinger: The impression of our Navy people is that the Soviet Navy lacks a great deal of experience, from observing their maneuvering and their reaction to our action.

Prime Minister Chou: You have the experience of the Caribbean Sea.

Secretary Kissinger: And many other experiences.

Prime Minister Chou: They deliberately [carried out many demon-] [started actions] here in the Far East. Their Far Eastern fleet deliberately carried out many actions here in order to tie down your Seventh Fleet. And they also deliberately passed through the S. Straits to the middle section of the Pacific to Midway Island and Guam to make military operations there. After your fleet went there, they also left the place.

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Secretary Kissinger: Our impression is that they could not stand up to our fleet on the open sea.

Prime Minister Chou: And sometimes their planes will circle around that area. But your Ambassador is familiar with this fact.

Secretary Kissinger: I know the time they went through these straits. But we never make our fleet movement depend on what they do.

Prime Minister Chou: But sometimes you will have to make some reactions and to make some movements.

Secretary Kissinger: We did it when they tried to build a submarine base in Cuba. Then we took strong action in 1970. We put a destroyer in the mouth of that harbor and we publicly reaffirmed what President Kennedy had said about the Cuban crisis, and then they pulled out their submarine support.

Prime Minister Chou: So much for their opponents. That is, they posed a threat to Western European countries and just now you added Japan. And now their focus of contention is in the Middle East. Just what you mentioned just now, the period for the contention will be very short but will last for a period of time. I hope that in this case you would not spend such a long time as four and a half years as you settled the Vietnam question.

Secretary Kissinger: No. It is a different problem. In Vietnam we were directly involved.

Prime Minister Chou: The direct involvement, of course, is one of the reasons, but that was left over. It was left over by your predecessor. But you yourself had made some mistakes. Perhaps you would not agree to what I say. I would not say it very straightforwardly because we understand this possibility. It is inevitable that human beings will make mistakes.

Secretary Kissinger: We may have. I think if the North Vietnamese had proposed the settlement that we achieved

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in the end in the first year we would have accepted it at any point. Our difficulty was that the North Vietnamese always asked us to overthrow a friendly government and that we could not do. That was the one thing I have always told you, Mr. Prime Minister, that it was a point of honor with us.

Prime Minister Chou:

This question again is left over historically. The responsibility should not remain entirely on your present Administration.

Secretary Kissinger:

This problem is easier from one point of view and more difficult from another. It is easier because no one is asking us to destroy a friendly government. But now all parties accept the existence of Israel which is essential for us too.

Prime Minister Chou:

I think that it would not be so quick that all parties would recognize the existence of Israel.

Secretary Kissinger:

All parties to which I have talked accept the existence of Israel.

Prime Minister Chou:

But the party with which you have discussions, the number is not so big. You think so. It is not so easy. While the fighting was going on, there was an illwind of break in diplomatic relations with Israel on the part of African countries. This was part of a just voice on the part of the Africans, and you cannot say they are not correct. Because you cannot expect everyone to be like us who have combined principles with realities. We objected to the establishment of Israel to start with. Now the population of Israel has reached 2.5 million and as we know perhaps reached 3 million -- can you drive them to the sea? No. So when your press people ask me about it, I answer them, "of course not." I ask them how can there be any strength in things like that in the world. That is why one is bound to find some way to settle this question. Would that be a reason to have the Palestinians driven out? This question should also be settled.

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Secretary Kissinger: I agree this question should be handled.

Prime Minister Chou: It would not be fair if this question would not be settled at the same time. Only when these two questions are settled can there be any co-existence, and a peace to be spoken of. Otherwise, there would be no co-existence. This is why that we agree to your having direct dealings with the Arab States. This is just a first step. But I think, although the first step has been taken, the journey will be even longer than the journey you traveled when you first came to China to prepare for the visit of President Nixon. Because it only took half a year for your President to come for a visit to China.

Secretary Kissinger: I think it will take more than a half a year but not half a year to show progress. We can show progress in less than half a year.

Prime Minister Chou: There might be some progress, but it is not so easy to settle the question because it is very complex.

Secretary Kissinger: The most difficult is Jerusalem. We can settle the Palestinian question. We had some discussion with Sadat and even with the Palestinians. The question is not easy, but the issue regarding Jerusalem is very hard.

Prime Minister Chou: Is it that there is some blind faith in the fact? It seems that the problem of Jerusalem is even harder than the question of Taiwan.

Secretary Kissinger: The question of Taiwan, I think -- the nature of its solution is obvious. It is only a question of timing.

Prime Minister Chou: Jerusalem.

Secretary Kissinger: Jerusalem. The nature is not obvious, because both sides consider it a holy city.

Prime Minister Chou: Would it not be better if this city would be shared by both sides?

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Secretary Kissinger: That is my solution, but I can find no one to agree with me. I once proposed this to the Israelis. And once I thought I had agreement from the Israelis to give up the three mosques on the hill looking toward Israel, but it turned out the Israelis would not agree to give up one hill and one street because they said it was a holy place.

Prime Minister Chou: That is a kind of superstition. Well, we will not dwell upon this in detail, but anyway, I think the Middle East is not an easy thing to settle.

Secretary Kissinger: I know. It has frontiers, Palestinians, Jerusalem. They all have to be settled simultaneously, except Jerusalem.

Prime Minister Chou: I hope you won't spend another three years and a half in order to settle this question.

Secretary Kissinger: That is why I think there should be an initial withdrawal of Israeli forces in order to give the Arabs some hope and courage.

Prime Minister Chou: Besides you have also to meet with your domestic difficulties. And only you as the Secretary of State will show the responsibility to settle these questions. Just now we discussed the question of the Soviet expansionism in the world. Actually, there is consensus between the expansion and the old expansionism. Some of your press people asked me if it is possible for you to go back to isolationism. I told them it was absolutely impossible, but they did not believe me. I think the times are different. Although people might talk about it as a congress, the real politics would not be like that.

Secretary Kissinger: I agree that it is objectively impossible, but I do not agree that it is subjectively inconceivable.

Prime Minister Chou: Although some people might think of it that way, actually they would not be able to realize it. If they should become a president themselves they would have to pursue your present policies.

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Secretary Kissinger: The danger is that someone may attempt to pursue an isolationism policy and thereby permit expansion of other countries and by the time he realizes what the dangers are he may have paid a very heavy price. I think the probability is that the policy we are now pursuing -- in these main outlines, not necessarily in its tactics which are complex -- will be pursued in the future.

Prime Minister Chou: It would not do for you not to contract it. What I say is the policy you are pursuing now is not an isolation policy, but you have contracted yourself a bit, retracted yourself a bit on certain questions in order to concentrate on settling the main questions. Your government had overstretched itself.

Secretary Kissinger: I agree.

Prime Minister Chou: You spent a lot of money and a lot of energy but the question had not been solved. If you would ask us as revolutionaries, of course, we would say we agree with your spreading yourself out. From a point of a revolutionary, we would be in favor of your spreading yourself out to be loose and vulnerable. But since now we have come together yourself and we are discussing some realistic and practical questions, we must talk about politics.

Secretary Kissinger: It was partly inexperience and partly the weakness of every other country.

Prime Minister Chou: There are so many countries -- would you take care of them all? Did you ever expect that there would be a student movement in Bangkok? Does the CIA learn about it beforehand?

Secretary Kissinger: If Dulles had been more polite in 1954 he could have learned a lot.

Prime Minister Chou: It was impossible for him to do so because the developments of things are sometimes independent of human will.

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Let's do some preparation because Chairman Mao has invited you to go there. Mr. Lord can come too.

Secretary Kissinger: Can I take Ambassador Bruce, as well?

Prime Minister Chou: I thought you would bring Mr. Lord along because of your habits. I did not ask.

Secretary Kissinger: If it is difficult...

Prime Minister Chou: We will ask. (Miss Wang goes out to inquire.) Perhaps we should call the attention to Mr. Jenkins that, according to news from sources of Chaing Kai-shek the guided guided missile ship OKLAHOMA CITY... Do you have such a guided missile cruiser?

Secretary Kissinger: All cruisers are named after states.

Ambassador Ingersoll: It is the flagship of the Seventh Fleet.

Prime Minister Chou: At 1:37 this afternoon, the cruiser had approached an island near the Taiwan Straits. It passed through the Taiwan Straits. It was only about 25 kilometers from our territory.

Secretary Kissinger: Mr. Prime Minister, there is no defense against stupidity. I cannot watch every cruiser in the American Navy. I tell you the truth, Mr. Prime Minister, I ordered every airplane to stop flying near your territory. I would have thought that when one ordered airplanes not to fly that they would have thought the cruisers should not go either.

Prime Minister Chou: It is nothing very particular. Only they are nearing our territorial waters. I did not pay much attention to that.

Secretary Kissinger: It should not happen at anytime this close, and it should not happen while I am in China under any circumstances.

Prime Minister Chou: They have intruded into our territory by mistake. Just tell them and ask them to leave.

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Secretary Kissinger: I will take care of it tonight. Wherever they are I will move them away. If they can tell the difference between left and right, they will move away.

(The Chinese side then confirmed that Ambassador Bruce was also invited to see the Chairman.)

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